IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE
BOARD OF PATENT APPEALS AND INTERFERENCES

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| Applicants: | Frank J. McConnell et al. | Attorney Docket No. SACO115537 |
| Application No: | 09/658,770 | Art Unit: 3626 / Confirmation No.: 4422 |
| Filed: | September 11, 2000 | Examiner: Natalie Pass |
| Title: | METHOD AND SYSTEM FOR PROVIDING INSURANCE POLICIES VIA A DISTRIBUTED COMPUTING NETWORK | |

### APPELLANTS' REPLY BRIEF

September 29, 2005

TO THE COMMISSIONER FOR PATENTS:

Safeco Insurance Company of America (hereinafter "Safeco") has studied carefully the Examiner's Answer submitted in response to Appellants' Appeal Brief. As explained in the Appeal Brief and supplemented below, the cited and applied references do not teach or suggest a bindable insurance premium quotation, reintermediation of an insurance agent, or a transmission of an electronic insurance policy to an insured individual. Appellants submit this Reply Brief in response to the Examiner's Answer. A reversal of the decision of the Examiner and issuance of the patent application is respectfully requested.

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## SUMMARY OF EXAMINER'S ANSWER

In response to Appellants' Appeal Brief filed on February 22, 2005, the United States Patent and Trademark Office (hereinafter "the Office") mailed an Examiner's Answer on August 2, 2005. In the Examiner's Answer, the Examiner relied on 37 C.F.R. 1.192(c)(7) to treat all claims as standing or falling together and decided to focus the Examiner's discussion and arguments primarily on Claim 1. Appellants note that section 37 C.F.R. § 1.192(c)(7) no longer exists because it was repealed on August 12, 2004.

Without admitting to the propriety of the arguments of the Examiner, both in law and in facts, this Reply Brief follows in which Appellants clarify major points made by the Examiner's arguments and further entreat the Board of Appeals and Interferences (hereinafter "the Board") to reverse the final rejection of Claims 1, 3-8, and 10-19.

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## II. REPLY ARGUMENT

### A. A Bindable Premium Quotation as Required by the Claims Is Not A Binding Agreement as Discussed by Mitcham

Among many claimed features, the system of Mitcham completely lacks the feature of "receiving a request to purchase said insurance policy according to said <u>bindable insurance premium quotation</u>, and in response to said request, re-intermediating an insurance agent and issuing said insurance policy," as recited in Claim 1. The Examiner indicated that the above-underlined claimed limitation is disclosed by Mitcham:

> With regard to the first claim limitation that appellant asserts is not taught by the Mitcham reference, Examiner interprets the claimed limitations of "receiving a request for a bindable premium quotation for an insurance policy" as being taught by Mitcham's teachings of "a user may . . . create a binding agreement . . . such as an insurance agreement."

See page 21 of the Examiner's Answer. To fully understand what Mitcham teaches, it is important to appreciate the full quotation of Mitcham:

> By utilizing kiosk 12, a user may independently create a binding agreement, such as an insurance agreement, without the need for interacting with a representative of the other party, such as a representative of an insurance company.

See Col. 4, lines 9-12, of Mitcham. The Examiner is referring to a portion of Mitcham where an insurance agreement can be created without the need for interacting with a representative of an insurance company. In making this analysis, the Examiner appears to conclude that "a binding agreement" is equivalent to "a bindable premium quotation." However, in the insurance industry, a binding agreement is what may occur after a consumer accepts a bindable premium quotation to purchase insurance. In other words, a bindable premium quotation may lead to a binding agreement; however, a bindable premium quotation is not a binding agreement. Because a

binding agreement is not a bindable premium quotation, Mitcham does not teach "receiving a request to purchase said insurance policy according to said bindable insurance premium quotation."

The Examiner also reasoned as follows to support the notion that Mitcham teaches bindable premium quotations:

> In the case of Mitcham, it is Examiner's interpretation that if Mitcham were publishing rates that were not purchasable or bindable . . . then the information published in Figure 13 would represent a fraudulent offering.

See p. 22 of Examiner's Answer. The Examiner is setting up false choices for her argument: One choice is a bindable premium quotation and the other choice is a fraudulent offering. Mitcham offers neither of the two choices fashioned by the Examiner. Insurance quotes are based on published baseline rates approved by regulators of various states. For example, a thirty-year-old male driver may have rates different from a thirty-year-old female driver. Insurers are required to apply the same rates to the same risks. An informational quote, such as the quote provided by Mitcham, is based solely on information provided by a user of Mitcham's kiosk at FIGURE 13. Thus, the informational quote of Mitcham is not a bindable premium quotation because the information has not been verified by third parties and is based entirely on the veracity of the user of Mitcham's kiosk. For example, if a six-year-old child were to use the kiosk of Mitcham at the mall to assume a persona of a thirty-year-old male driver, it cannot be imagined that the informational quote of Mitcham is bindable upon the insurance company. For the same reasons, the rates displayed by Mitcham at FIGURE 13 are not fraudulent: So long as these rates are based on approved rates for the same level of risks, the informational quote shown in FIGURE 13 are quite lawful and not fraudulent even if not bindable.

The Examiner extensively relied on Figure 13 of Mitcham to support the Examiner's contention that a bindable premium quotation is taught by Mitcham. More specifically, the

Examiner pointed out the following text at Figure 13: "Rates quoted are valid for 15 days from above date" and indicated the following text as evidence of a bindable premium quotation: "Quote Number: [number]." There is nothing about those portions of text that indicate that a bindable premium quotation is provided by Mitcham. First, the Examiner again fails to recognize the distinction between state-approved rates (for which are subject to change as new rates are filed) and the actual premium charged to customers. Second, the reference to the "Quote Number" teaches nothing relating to whether the quote is bindable or not. It is clearly referring to a reference number for a quote, not a premium amount.

Moreover, Examiner's argument ignores that Figure 13 of Mitcham teaches "this is an information quotation only." An informational quotation is not a bindable premium quotation as discussed above, and as previously discussed in great detail at page 18 of the Appeal Brief.

Finally, to make her argument, the Examiner mischaracterizes a definition that Appellants provided in the specification of the pending patent application. More specifically, the pending specification discusses that "a bindable premium quotation is a quotation of a premium for an insurance policy that may be purchased immediately by the customer." See page 7 of the pending patent application. Figure 13 of Mitcham is displayed on the kiosk at block 246 of Mitcham. See Figure 3C. The quotation that is displayed at block 246 and at Figure 13 is not a quotation that can be purchased immediately by the user of the kiosk of Mitcham. For example, at block 256, additional information may be required from the user. See Figure 3E of Mitcham. Moreover, underwriting reports are not obtained until blocks 296, 299 of Figure 3G of Mitcham. Thus, the informational quotation provided at Figure 13 is not a bindable premium quotation as required by the claimed invention.

B.    Mitcham Fails to Teach Re-Intermediation of an Insurance Agent

Mitcham discloses a kiosk for issuing insurance. See the title and Figure 1 of Mitcham. The kiosk includes a computer, a touch screen, a pointing device, a printer, a modem, a credit card entry system, a data storage system, and a keyboard. A user supplies information to the kiosk of Mitcham by using the touch screen and the pointing device. Subsequently, the information may be used to create an insurance agreement. Most importantly, Mitcham indicates:

> By utilizing kiosk 12, a user may independently create a binding agreement, such as an insurance agreement, without the need for interacting with a representative of the other party, such as a representative of an insurance company. (emphasis provided.)

See Col. 4, lines 9-12. The kiosk is a standalone device that may be located, for example, at a shopping mall where a shopper can obtain an insurance agreement without the need for interacting with a representative of an insurance company. Among other differences, a distinguishing difference between the system of Mitcham and the claimed invention is Mitcham's lack of "receiving a request to purchase an insurance policy according to a bindable insurance premium quotation, and in response to the request, re-intermediating an insurance agent and issuing the insurance policy."

Although Mitcham expresses that an insurance agreement is created without the need for interacting with a representative of an insurance company (and therefore, requiring no re-intermediation), the Examiner insisted that Mitcham teaches otherwise because the word "may" as used in the above quotation indicates that Mitcham describes more than one embodiment. More specifically, the Examiner conceded that Mitcham discloses, in one embodiment, the creation of a binding agreement without the need for interacting with a representative of an insurance company, but according to the Examiner, Mitcham also discloses, in a second

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embodiment, the creation of a binding agreement <u>with the need</u> for interacting with a representative of an insurance company. For the following reasons, Appellants disagree with the conclusion that Mitcham discloses a second embodiment involving the interaction of a representative of an insurance company.

First, the alleged reference to a "second" embodiment appears while Mitcham expressly is describing only one embodiment. Mitcham, in his "Brief Description of the Drawings," discusses the following:

> The novel features believed characteristic of the invention are set forth in the appended claims. The invention itself, however, as well as a preferred mode of use, further objects and advantages thereof, will best be understood by reference to the following detailed description of <u>an illustrative embodiment</u> when read in conjunction with the accompanying drawings. . . .

See Col. 2, lines 49-55 (emphasis supplied). Next, the section "Brief Description of the Drawings" is then followed by the section titled "Detailed Description of Preferred Embodiment." Appellants note that the word "embodiment" is in the singular and not in the plural. (It is within this discussion of this singular embodiment that Examiner discerns the alleged "second" embodiment.) And lastly, Mitcham concludes his patent as follows:

> While the invention has been particularly shown and described <u>with reference to a preferred embodiment</u>, it will be understood by those skilled in the art that various changes in form and detail may be made therein without departing from the spirit and scope of the invention. (Emphasis provided.)

See Col. 9, lines 14-18 of Mitcham. The emphasized portion of the above quote indicates that there is only one embodiment. And that embodiment is the creation of an insurance agreement independently by a user without the need to interact with a representative of an insurance company. The second embodiment relied on by the Examiner does not exist and would depart

from the spirit and scope of Mitcham because it requires the creation of an insurance agreement with the need to interact with a representative of an insurance company.

In the Examiner's Answer, the Examiner indicated as follows:

> Examiner respectfully disagrees with appellant's interpretation of the Mitcham reference. Although the text of appellant's quotation is correct, it omits the words "a user may independently create a binding agreement, such as an insurance agreement" (emphasis added) and is taken out of context, representing only one embodiment of the Mitcham invention. In particular, Examiner notes that Mitcham teaches re-intermediating the insurance agent following the receipt of a request to purchase an insurance policy. Note, for example, that Mitcham teaches a system where, in one embodiment, "[t]he options may include completing an application, having a representative of a company contact the user, printing a quote of the selected level of coverage, or exiting the program. . . ."

See pages 15-16 of the Examiner's Answer. The additional embodiment required by the Examiner to support her rejection of the pending application does not exist and cannot be found in Mitcham. Mitcham creates a kiosk that a consumer can independently use to obtain an insurance agreement without the need for interacting with a representative of an insurance company. This was explicitly expressed by Mitcham.

Second, assuming for the sake of argument that Mitcham does disclose a second embodiment in which the user may have a representative of a company contact the user, this embodiment—whatever it is—still does not teach the claimed invention: The logic path to complete an insurance contract is a choice separate of the logic path of having a representative of a company contact the user. (The Appeal Brief expounds this issue in great detail and for brevity purposes will not be repeated again here.) This is because Mitcham explicitly intends for a user to exercise one choice to complete an insurance contract or the other choice to have a representative of a company contact the user. For example, after a customer selects the choice of completing an insurance contract, the software of Mitcham enters terminal D (FIGURE 3D) to

decision block 254 (FIGURE 3E). Depending on the answer to the decision block 254, the user may enter block 258 to enter name, address, and telephone number so as to allow the completion of the insurance contract to proceed. Examiner argues that Mitcham allows a user after completion of the insurance contract, to select the choice to have a representative of a company contact the user. But Mitcham does not do so. If a user chooses to have a representative of a company contact him, the software of Mitcham requires the user to enter his name, address, and telephone number. See block 322 of FIGURE 3D. If Mitcham taught what the Examiner argues, it would not require a user to enter his name, address, and telephone number at block 258 to continue with an insurance contract only to require these same pieces of information to be entered again at block 322. Regardless, it remains that Mitcham utterly fails to teach "receiving a request to purchase an insurance policy according to a bindable insurance premium quotation, and in response to the request, re intermediating an insurance agent and issuing the insurance policy."

C.      Mitcham Fails to Teach "Transmitting an Electronic Version of Said Insurance Policy to an Individual Insured by Said Insurance Policy" as Required by Claim 3

Claim 3 is dependent on Claim 1 and recites "transmitting an electronic version of said insurance policy to an individual insured by said insurance policy." As previously noted in the Appeal Brief, the Examiner cited Mitcham at Figure 4; and Col. 3, line 61, to Col. 4, line 32, for teachings the claimed invention as defined by Claim 3. Appellants have previously explained in the Appeal Brief how the cited passages of Mitcham do not disclose the claimed invention. In response to these points, the Examiner's Answer states:

> As per appellant's discussion regarding Claim 3 at pages 24-25 of the Appeal Brief and of the limitation of "transmitting an electronic version of said insurance policy" and further regarding appellant's discussion of "Examiner's understanding of the claim," Examiner notes that applicant appears to rely upon only a small subset of Examiner's applied art ... however, since the precise word "transmission" fails to occur in

Figure 4, Examiner respectfully directs appellant's attention to Mitcham's explicit recitation of "transmitting the insurance policy via the communication means. . . ." (Mitcham; Col. 10, lines 33-34).

See page 28 of Examiner's Answer.

The claimed invention recites "transmitting an electronic version of said insurance policy <u>to an individual insured by said insurance policy</u>" and not merely "transmitting an electronic version of said insurance policy" as shortened by the Examiner. The full text of the passage relied on by the Examiner at Col. 10, lines 33-34, of Mitcham actually recites the following:

> The method of Claim 1 further comprising the step of:
> g) transmitting the insurance policy via the communication means to an underwriter.

Thus, the passage cited by the Examiner describes transmitting an insurance policy via a communication means to an underwriter and not to an individual insured by the insurance policy as recited in Claim 3. Contrary to the position asserted in the Examiner's Answer, Mitcham does not disclose all of the features of Claim 3.

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## III.   CONCLUSION

This Reply Brief clarifies three major points that question the appropriateness of the cited and applied references as used in the final rejection of Claims 1, 3-8, and 10-19.  One with ordinary skill in the art would not equate a bindable premium quotation with a binding agreement.  A bindable premium quotation is also not an information quotation as explicitly disclosed by Mitcham.  Mitcham appears to disclose only one embodiment and that embodiment allows a user to independently create an insurance agreement without the need to interact with a representative of an insurance company.  Even if somehow Mitcham were to disclose a second embodiment, it is clear that no "re-intermediation of an insurance agent" has been taught or suggested.  Finally, an underwriter is not an individual who is insured by an insurance policy.  Mitcham may transmit an insurance policy to an underwriter but that is not equivalent to transmitting an electronic form of the insurance policy to an individual who is insured by the insurance policy.

## IV. CLAIMS APPENDIX

1. A method for providing an insurance policy via a distributed computing network, comprising:

receiving a request for a bindable premium quotation for an insurance policy;

in response to said request, receiving information relating to the insurability of an individual to be insured by said insurance policy and information relating to the coverage to be provided by said insurance policy;

gathering underwriting information from one or more outside information resources based upon the identify of said individual;

determining whether said insurance policy may be underwritten;

in response to determining that said insurance policy may be underwritten, calculating a premium for said insurance policy and providing said premium to a requestor of said premium quotation as a bindable insurance premium quotation;

receiving a request to purchase said insurance policy according to said bindable insurance premium quotation; and

in response to said request, re-intermediating an insurance agent and issuing said insurance policy.

2. (Canceled)

3. The method of Claim 1, wherein issuing said insurance policy comprises transmitting an electronic version of said insurance policy to an individual insured by said insurance policy.

4.      The method of Claim 1, wherein re-intermediating an insurance agent comprises:

providing a list of available insurance agents;

receiving the selection of a selected agent from the list of available insurance agents;

assigning said selected insurance agent to said insurance policy;

transmitting information regarding said individual and said insurance policy to said selected insurance agent; and

remitting a commission to said selected insurance agent.

5.      The method of Claim 1, wherein re-intermediating an insurance agent comprises:

providing a list of available insurance agents, said available insurance agents identified based upon their geographical proximity to said individual;

receiving the selection of a selected agent from the list of available insurance agents;

assigning said selected insurance agent to said insurance policy;

transmitting information regarding said individual and said insurance policy to said selected insurance agent; and

remitting a commission to said selected insurance agent.

6.      The method of Claim 1, wherein re-intermediating an insurance agent comprises:

assigning an insurance agent to said insurance policy based upon the geographical proximity of said insurance agent to said individual;

assigning said assigned insurance agent to said insurance policy;

transmitting information regarding said individual and said insurance policy to said assigned insurance agent; and

remitting a commission to said assigned insurance agent.

7.      The method of Claim 6, wherein said assigned insurance agent comprises the geographically closest available insurance agent to said customer.

8.      A system for providing an insurance policy via a distributed computing network, comprising:

a server computer maintaining a virtual insurance producer Web site available via said distributed computing network, and wherein said virtual producer Web site is operative to:

receive a request for a bindable premium quotation for an insurance policy;

receive information relating to the insurability of an individual to be insured by said insurance policy and information relating to the coverage to be provided by said insurance policy in response to said request;

gather underwriting information from one or more outside information resources based upon the identify of said individual;

determine whether said insurance policy may be underwritten;

to calculate a premium for said insurance policy and to provide said premium to a requestor of said premium quotation as a bindable insurance premium quotation;

receive a request to purchase said insurance policy according to said bindable insurance premium quotation;

re-intermediate an insurance agent; and

issue said insurance policy.

9.    (Canceled)

10.    The system of Claim 8, wherein said virtual producer Web site is further operative to:

provide an interactive help system to a requestor of said insurance policy.

11.    The system of Claim 10, wherein said interactive help system comprises an interactive chat facility for providing real-time communication between said requestor of said insurance policy and an insurance help-desk representative.

12.    The system of Claim 11, wherein said interactive help system further comprises an e-mail facility for receiving an electronic mail message from said requestor of said insurance policy and transmitting said message to an insurance help-desk representative.

13.    The system of Claim 12, wherein said interactive help system further comprises a facility for notifying an insurance help-desk representative that said requestor of said insurance policy would like to receive a telephone call providing assistance.

14.    The system of Claim 8, wherein issuing said insurance policy comprises transmitting an electronic version of said insurance policy to an individual insured by said insurance policy.

15.     The system of Claim 14, wherein re-intermediating an insurance agent comprises:

providing a list of available insurance agents;

receiving the selection of a selected agent from the list of available insurance agents;

assigning said selected insurance agent to said insurance policy;

transmitting information regarding said individual and said insurance policy to said selected insurance agent; and

remitting a commission to said selected insurance agent.

16.     The system of Claim 14, wherein re-intermediating an insurance agent comprises:

providing a list of available insurance agents, said available insurance agents identified based upon their geographical proximity to said individual;

receiving the selection of a selected agent from the list of available insurance agents;

assigning said selected insurance agent to said insurance policy;

transmitting information regarding said individual and said insurance policy to said selected insurance agent; and

remitting a commission to said selected insurance agent.

17.     The system of Claim 14, wherein re-intermediating an insurance agent comprises:

assigning an insurance agent to said insurance policy based upon the geographical proximity of said insurance agent to said individual;

assigning said assigned insurance agent to said insurance policy;

transmitting information regarding said individual and said insurance policy to said assigned insurance agent; and

remitting a commission to said assigned insurance agent.

18. The system of Claim 17, wherein said assigned insurance agent comprises the geographically closest available insurance agent to said customer.

19. A computer-readable medium containing computer-executable instructions which, when executed by a computer, cause the computer to perform the method of Claims 1, 3, 4, 5, 6, or 7.

Respectfully submitted,

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## CERTIFICATE OF MAILING

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Date: _September 29, 2005_

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